

## Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00  
DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03 H-01 SS-15  
NSC-05 /049 W

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R 210815Z DEC 76  
FM AMEMBASSY JAKARTA  
TO SECSTATE WASHDC 8348

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E.O. 11652: N/A  
TAGS: EAIR, ID  
SUBJECT: CIVAIR - U.S.-GOI DISCUSSIONS

REF: JAKARTA 16121

1. SUMMARY: INDONESIAN MINISTER COMMUNICATIONS HAS INQUIRED REGARDING MEANING OUR LETTER OF DECEMBER 15 AND HAS ASKED REGARDING POSSIBLE ALTERNATIVE FIFTH FREEDOM LOCATIONS AND HAS RAISED QUESTION OF PASSENGER QUOTAS. END SUMMARY.

2. MINISTER COMMUNICATIONS EMIL SALIM TELEPHONED ME DECEMBER 21 TO ACKNOWLEDGE RECEIPT MY LETTER OF DECEMBER 15 AND TO ASK WHAT IT MEANT.

3. I REPLIED THAT BASICALLY IT MEANT THAT OUR OFFER MADE IN SEPTEMBER WAS STILL OPEN BUT THAT IT REPRESENTED MINIMUM REQUIREMENTS FOR VIABLE AMERICAN CARRIER OPERATION TO INDONESIA. SALIM REPLIED THAT IF HE UNDERSTOOD PROPOSAL, MINIMUM REQUIREMENTS WERE FOR FULL FIFTH FREEDOM RIGHTS FROM ONE OF THREE POINTS AND WITH FLEXIBILITY TO CHANGE ROUTING AS DESIRED. I AGREED THAT THIS WAS CORRECT INTERPRETATION.

4. HE THEN ASKED ABOUT CAB ACTION. I SAID CAB DUE TO MAKE  
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DECISION LATE THIS MONTH. DECISION COULD BE DENIAL OF GARUDA APPLICATION UNDER PRESENT CIRCUMSTANCES, ACCEPTANCE, OR DECISION TO MAKE NO DECISION BECAUSE NEGOTIATIONS STILL GOING ON.

5. SALIM THEN COMMENTED THAT IF CAB MADE NEGATIVE DECISION

OR NO DECISION, THIS PRESUMABLY LEFT STATUS QUO AS IT IS WITH NEITHER GARUDA NOR PAN AMERICAN PROVIDING U.S.-INDONESIA SERVICES AFTER JANUARY 31. I AGREED THAT THIS WAS CORRECT ALTHOUGH I COULD NOT SAY FOR CERTAIN WHAT MIGHT BE CAB'S DECISION.

6. SALIM THEN ASKED "WHAT IS WRONG WITH LEAVING IT AT THAT." I REPLIED THAT IN LONG RUN GARUDA MIGHT WELL LOSE OPPORTUNITY ULTIMATELY TO FLY TO UNITED STATES BECAUSE, AS I HAD PREVIOUSLY POINTED OUT, OTHER SOUTHEAST ASIAN AIRLINES WERE ALSO SEEKING RIGHTS AND CAB WAS NOT LIKELY TO GRANT RIGHTS TO ALL.

7. AFTER ACKNOWLEDGING THAT IT MIGHT THEN BE IN GARUDA'S INTEREST TO TRY TO REACH AGREEMENT, SALIM SAID THAT HIS PRINCIPAL PROBLEM WITH SEPTEMBER PROPOSAL WAS THAT NOT ONLY WOULD GARUDA LOSE MONEY FOR FIRST YEAR OR TWO OF SERVICE TO U.S. BUT PANAM WOULD ALSO BE TAKING TRAFFIC AWAY FROM GARUDA ON ESTABLISHED ROUTES, PARTICULARLY TO SINGAPORE. I SAID WE WOULD CONSIDER ALTERNATIVE SUGGESTIONS FOR FIFTH FREEDOM POINTS ALTHOUGH PAN AMERICAN COMPETITION WITH ONE OR TWO FREQUENCIES PER WEEK NOT LIKELY BE SUBSTANTIAL. I SAID GARUDA HAD NO SERVICE TO MANILA SO THIS WOULD PRESUMABLY NOT BE IN COMPETITION. SALIM SAID UNDER ASEAN CIVIL AIR ARRANGEMENTS GARUDA WOULD START SERVICE TO MANILA NEXT YEAR. HE ASKED WHETHER TAIWAN MIGHT BE POSSIBLE ALTERNATIVE TO ONE OF THREE DESIGNATED POINTS. I SAID I WOULD PUT MATTER TO DEPARTMENT.

8. ANOTHER POSSIBILITY SALIM SAID WOULD BE TO AGREE ON LIMITED OFFICIAL USE

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PASSENGER LIMITATIONS. I SAID U.S. DID NOT GENERALLY LIKE SUCH ARRANGEMENTS BUT I WOULD MENTION THIS TO WASHINGTON.

9. HE SAID HE WAS ALSO TROUBLED BY REFERENCE IN OUR DECEMBER LETTER TO KEEPING DOOR OPEN FOR AIR CARGO AND SECOND DESIGNATED CARRIER. I SAID THIS DID NOT REQUIRE COMMITMENT ON HIS PART BUT MERELY SIGNED THAT AT SOME LATER POINT WE MIGHT WISH TO RAISE THESE QUESTIONS. HE GROANED. AT CONCLUSION OF CONVERSATION SALIM ASKED IF HE UNDERSTOOD CORRECTLY THAT THREE FIFTH FREEDOM POINTS AND FLEXIBILITY AMONG THEM WERE MINIMUM REQUIREMENTS FOR PANAM IF GARUDA WAS TO FLY TO U.S. I SAID THAT AT SOME POINT IN ANY NEGOTIATION ONE HAD TO SAY "THIS IS IT" AND I WAS SAYING THAT NOW.

10. COMMENT: AS SUGGESTED IN MY EARLIER TELEGRAM FOLLOWING LAST MEETING WITH SALIM, I FEEL THAT HE IS UNDER PRESSURE TO MOVE TO AGREEMENT WHICH WILL PERMIT GARUDA TO FLY TO

U.S. I WOULD APPRECIATE DEPARTMENT'S ADVICE REGARDING  
POSSIBLE TAIWAN OR OTHER FIFTH FREEDOM LOCATIONS AND  
OUR RESPONSE ON PASSENGER LIMITATIONS.  
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## Message Attributes

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**Disposition Approved on Date:**  
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